

ROUTING

Top Secret 219

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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 7 October 1978

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Saturday, 7 October 1978.

The NID Cable is for the purpose of informing senior US officials.

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UN

LEBANON: Situation Report

25X1 [] Israel has promised to urge Maronite Christian leaders in Lebanon to accept a cease-fire, now that Syria has privately agreed to comply. The UN Security Council resolution calling for an end to the fighting probably will also have considerable influence on the Maronites. Fighting apparently flared again in East Beirut last night after tapering off yesterday afternoon. Lebanese President Sarkis and Syrian President Assad have begun talks in Damascus.

25X1 [] The Maronites favor UN intervention in Beirut and will probably support the UN-sponsored call for a cease-fire because they hope it will be a first step toward the introduction of a UN force. The Maronites will probably interpret the Security Council's action as a victory for them and as an implied rebuke of Syria.

25X1 [] President Assad probably decided to accept a UN cease-fire because of US and French requests to end the fighting and because he is concerned about the danger of Israeli intervention. Assad may calculate that, by accepting, he will improve Syria's public image. If the militias do not abide by the cease-fire, he presumably believes Syria will have a stronger case for resuming its bombardment of Christian positions. The Syrians have muted their longstanding opposition to any internationalization of the Lebanese crisis by giving the UN Security Council a role, but they are probably still reluctant to allow a strong UN peacekeeping force into Beirut.

25X1 [] Most military activity in Beirut is still centered around the struggle for control of a few bridges leading from the Christian sectors north to the Maronite heartland. Christian militiamen in East Beirut appear to be feeling the effects of Syrian efforts during the last several days to cut them off from their supply routes from the north. Since mid-week, the Christians have kept up a steady artillery and rocket barrage on the bridges in an unsuccessful effort to force the Syrians to withdraw.

25X1 [] The US Embassy reported yesterday afternoon that Syrian troops still controlled the two major bridges, although militiamen had surrounded one bridge on three sides. The Syrians apparently destroyed a few Christian armored vehicles

yesterday near the northernmost bridge. The Christians claim to have driven back Syrian attempts--allegedly spearheaded by tanks--to make inroads into Christian sectors.

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[] Christian militiamen in southern Lebanon led by Major Haddad yesterday carried out their threat to fire on nearby Palestinian positions if the Syrians did not show restraint in Beirut. Palestinian gunners returned the militias' fire. Military activity in Israel and Syria appears normal.

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[] President Sarkis arrived in Damascus last night and immediately began talks with President Assad. Sarkis had wanted to consult the Syrian leader before proceeding with his plan to halt the fighting by deploying the Lebanese Army in Beirut.

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[] Egypt has publicly called for the withdrawal of Syrian troops from Lebanon, a position that stems from its current friction with Syria over the signing of the Camp David accords. Egypt has always opposed the extension of Syrian influence in Lebanon, although it briefly muted its opposition following a reconciliation with Syria in late 1976. The Egyptian statement evenhandedly called on Israel to halt its assistance to the Lebanese Christians. []

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USSR-SYRIA: Assad Returns Home

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[] Syrian President Assad returned to Damascus yesterday after two days of talks in Moscow, which resulted in a strong condemnation of the Camp David accords and an indication of increased Soviet military support to the Syrians. The communique's brief reference to Lebanon, however, suggests that the Soviets are still reluctant to support the Syrian involvement there directly.

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[] President Brezhnev used the visit to stress the importance the USSR attaches to the Middle East and its involvement in the negotiating process. Moscow has been concerned to establish that it is still a factor in Middle East diplomacy, but the visit produced no indication that the Soviets have specific initiatives to offset the Camp David accords.

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[] Brezhnev's public call on Thursday for a return to the Geneva Conference and his ambiguous reminder that the USSR is prepared to "act accordingly" as a cochairman of the conference seemed to be no more than rhetorical self-assertiveness.

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[] In return for Syrian endorsement of a Soviet role in future negotiations, the Soviets may have agreed to increase military deliveries to Damascus. Soviet Minister of Defense Ustinov pointedly participated in the talks and--even before Assad's arrival in Moscow--a Soviet Foreign Ministry official stated that the Syrian President was "coming for arms, and we'll give them arms." Brezhnev's reference to strengthening the framework of all-around cooperation between the two states also pointed to additional military support.

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[] Brezhnev's remarks, in fact, suggest that Moscow may have tried again to push the Syrians into accepting a friendship treaty with the Soviets. There is no indication that the Syrians are prepared to tighten their ties to Moscow or that Assad is about to abandon his policy of playing off the USSR and the US or to end his ties with Saudi Arabia.

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[] The occasional public references to Lebanon during the visit were no surprise. The Soviets originally opposed the Syrian intervention in 1976, which led to serious strains between Damascus and Moscow until last year.

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[] Moscow has always feared that Syria's role in Lebanon could lead to a Syrian-Israeli confrontation, and this concern has not diminished. Moscow's support for a UN-backed cease-fire in Lebanon is a further indication that the Soviets do not want any further erosion of their ties to Syria over this issue.

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ZAMBIA-RHODESIA: Announcement

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[] *Zambian President Kaunda announced yesterday that economic considerations have forced Zambia to resume use of the rail line that connects Lusaka to points in Rhodesia from which Zambian trade formerly went to Mozambican and South African ports. Kaunda denied that Zambia is fully reopening the border and emphasized that his action does not mean a lessening of hostility against the regime in Salisbury. He said the other frontline presidents are sympathetic to his decision.*

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25X1 [] Kaunda made no reference to whether or not the Rhodesians had agreed to accept Zambian shipments through their country. Zambia has not used the section of the line since 1973 when the Zambian-Rhodesian border was closed. We have had no indications that Kaunda has approached Salisbury on the matter. The Rhodesians' initial reaction would be to seek concessions from Kaunda such as placing restrictions on guerrillas operating out of Zambia. Prime Minister Smith may conclude, however, that more is to be gained politically by assisting Kaunda.

25X1 [] Tanzanian President Nyerere and Mozambican President Machel--already at odds with Kaunda for arranging the private meeting between Smith and ZAPU leader Joshua Nkomo in mid-August--probably regard this action as a political mistake. Nevertheless, whatever their differences regarding Rhodesian policy, the frontline presidents have always deferred, albeit grudgingly at times, to one another's unilateral policies. Before his announcement, Kaunda contacted the other frontline presidents and went to some pains to secure their acquiescence.

25X1 [] Kaunda's decision was in response to strong domestic pressures that have arisen during a rather stormy election year. He has come under heavy criticism from his party and from businessmen and farmers for failing to ease Zambia's economic problems.

25X1 [] Transportation bottlenecks along the undependable routes through Tanzania have led to severe shortages in Zambia of essential commodities--including food, spare parts, and raw materials for the mining sector--and added to Zambia's foreign-exchange shortage by delaying copper sales. The logjam in foreign trade, coupled with an austerity program imposed by the International Monetary Fund, has slowed Zambia's annual real economic growth rate to about 1 percent.

25X1 [] Zambia's financial squeeze has interfered with its ability to meet service fees for rail and port facilities at Dar es Salaam and may hold up payments for the use of the Rhodesian rail line. If Rhodesia goes along, the resumption of traffic through Rhodesia will give the Zambian economy an immediate boost, though it will not provide a long-term solution to the country's economic woes. []

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UNITED KINGDOM: Conference Ends

[redacted] //British Prime Minister Callaghan came away from the Labor Party's annual conference yesterday with his prestige intact and his programs unchanged despite rejection of the government's pay policy and controversy over several other issues. He emerged unscathed primarily because he took advantage of the traditionally close relationship between the party and the unions and because he is not bound by the conference's decisions on most issues. The government could be in for rough sledding, however, as the new season of wage negotiations gets under way.//

[redacted] //Callaghan responded to a trade union - led rejection of his rigid 5-percent wage ceiling by skillfully maneuvering union leaders, pleading for their cooperation, and asking advice on how the government should proceed. Callaghan emphasized that he will soon open talks with the unions aimed at overcoming the impasse over the pay norm.//

[redacted] //The optimism surrounding Callaghan's overture is likely to fade--and any agreement will be jeopardized--because a growing number of unions are demanding wage increases well in excess of the guidelines, and because Callaghan has promised to introduce restrictive fiscal measures should the pay policy fail.//

[redacted] //The controversy over British oil companies' violations of sanctions against Rhodesia did not erupt into a major embarrassment for Callaghan. An inquiry board will work to defuse the issue, while scrupulously trying to avoid charges of a coverup. It is likely to focus more on the companies involved than on government officials in power at the time. The issue, along with Britain's Rhodesian policy, will be debated in Parliament after it convenes later this month.//

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[] //The conference also passed leftwing resolutions condemning future British participation in the European Monetary System and calling on the government to nationalize North Sea oil operations. Neither proposal has much chance of being accepted. Government leaders are trying to avoid controversy before the next general election and will try to postpone any final decisions.//

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[] //Leftist attempts to wrest control of the party machinery from the moderates led to the most bitter and divisive debate. Proposed changes in how parliamentary candidates are selected and how party leaders are elected--which would be binding--were beaten back. []

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USSR: Gromyko Interview

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[] Soviet Foreign Minister Gromyko's television interview yesterday conveyed a cautiously positive assessment of his recent talks in Washington and the prospects for a SALT agreement and a summit meeting to sign the agreement. While he criticized the Camp David accords in some detail, he gave no indication that Moscow intends to let developments related to the Middle East directly affect Soviet-US relations.

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[] Gromyko took care to temper public optimism by characterizing the state of Soviet-US relations as chilly and "unsatisfactory" and attributing to the US full responsibility for this situation. Gromyko gave a cautious assessment of the prospects for the conclusion of a SALT agreement by stating that, while his conversations in the US were "useful," the interrelationship of various questions in SALT "complicates the course of the talks," suggesting that a satisfactory package has yet to emerge.

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[] Although Gromyko was not as acerbic about the US as he was in his television interview after his visit in May, he did play on the persistent Soviet theme of alleged vacillation and uncertainty in the US. He expressed the "hope" that President Carter would stand firm on the positions taken in the talks and that this position would gain the upper hand and prevail. Gromyko followed this with a statement that the President's desired summit meeting with President Brezhnev could only follow the completion of a SALT accord. []

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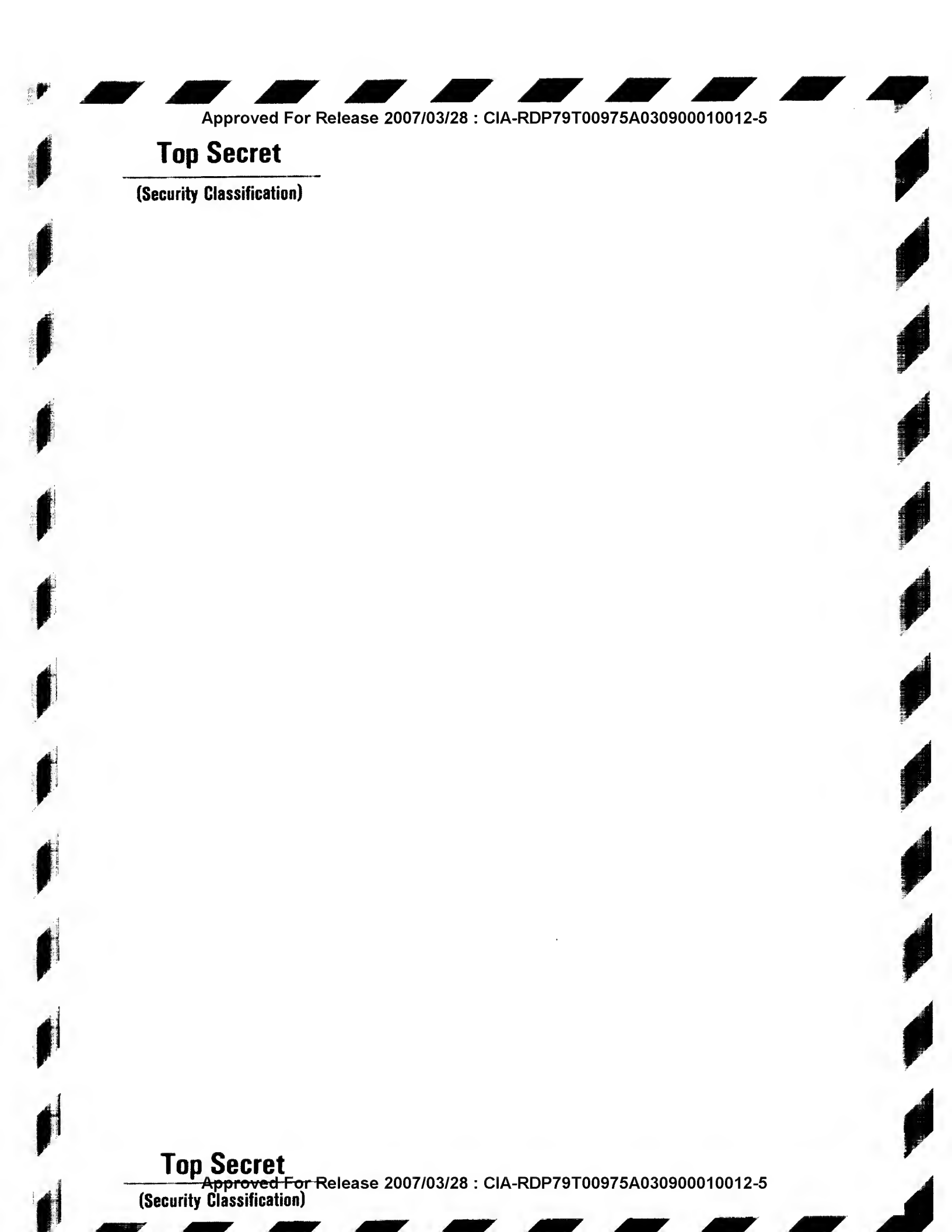
BRIEF

UN

25X1 [] //The UN Disarmament Commission will convene in New York on Monday for its first meeting in 13 years. The resurrection of the Commission is a response to demands from nonaligned states for an increased voice in disarmament debates. The new Commission, like the old, will include all UN members and report to the General Assembly. It is charged with following up decisions taken by the General Assembly's Special Session on Disarmament that was held in the spring and will consider a comprehensive program for disarmament.//

25X1 [] //In preparing its program of work, the Commission will try to define a role distinct from that of the General Assembly's First Committee, which also deliberates on disarmament questions. It will probably devote more of its time to debate, and less to the writing of resolutions, than does the First Committee. M. A. Vellodi, an Indian diplomat who is the only candidate for chairman, has suggested, however, that the Commission could make its own recommendations to the General Assembly.//

25X1 [] //The Commission will also consider the date for its first substantive meeting, to be held some time in 1979.
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